

PUBLIC DISCLOSURE

MAY 14, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

GREENFIELD CO-OPERATIVE BANK

**63 FEDERAL STREET
GREENFIELD, MASSACHUSETTS 01301**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MASSACHUSETTS 02110**

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **GREENFIELD CO-OPERATIVE BANK** (the "Bank") prepared by the Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "High Satisfactory"

The Bank's overall CRA rating is based upon its performance under the five criteria contained herein. The following is a summarization of the findings, presented in descending order of weight given to each criteria, that were utilized in formulating the Bank's overall CRA rating.

Distribution of Credit among Different Income Levels

- A substantial distribution of residential mortgage lending to individuals of low- and moderate-income, given the demographics of the Bank's assessment area. In addition, the Bank's small business lending in smaller dollar amounts within its assessment and its level of lending to small businesses with revenues less than \$1 million is considered strong.

Geographic Distribution of Loans

- A reasonable penetration of residential mortgage and small business lending to the moderate-income census tracts in the Bank's assessment area.

Comparison of Credit Extended Inside And Outside of The Assessment Area(s)

- A substantial penetration of its residential mortgage and small business lending coming from inside its assessment area.

Loan to Deposit Analysis

- A reasonable level of net loan to deposit ratios reviewed over an eight quarter period.

Review of Complaints/Fair Lending Policies and Practices

- Fair lending policies and practices that are considered reasonable. No weight was given to a review of complaints, as none have been received since the prior examination.

INSTITUTION'S CRA RATING (continued):

Investments and Services

Lastly, in assessing whether an institution's CRA performance is "High Satisfactory" or "Outstanding" under the small institutions performance standards, the Division considers the degree to which an institution exceeds each performance standard for a "Satisfactory" rating, **AND** the institution's performance in providing qualified investments and services. At management's request, the Bank's investments and services were reviewed.

PERFORMANCE CONTEXT

Description of Institution

Greenfield Co-operative Bank is a mutual savings bank, incorporated under the laws of the Commonwealth of Massachusetts in 1905.

As of March 31, 2004, the Bank had \$197,919,000 in total assets. Of these total assets, \$125,293,000, or 63.3 percent, were in the form of loans (net). The following table depicts the Bank's loan portfolio composition based on its March 2004 Federal Deposit Insurance Corporation (FDIC) Quarterly Call Report.

Greenfield Co-operative Bank's Loan Portfolio as of March 31, 2004	
Type of Loans	% of Total Loans
Construction & Land Development	2.9
Residential Real Estate	
a. 1-4 Family Mortgages	63.5
b. Home Equity Lines (includes second mortgages)	11.6
Multifamily	2.8
Commercial Loans	
a. Commercial Real Estate	12.3
b. Commercial & Industrial Loans	6.2
Consumer Loans	
a. Credit Cards & Related Plans	0.0
b. Loans to Individuals/Other Loans	0.7
Total Loans	100.0

Source: FDIC Call Report, 03/31/04

As indicated, overall residential real estate lending represents the majority of the Bank's portfolio at 80.8 percent. The second largest segment of the loan portfolio is overall commercial lending at 18.5 percent.

Description of Institution (continued)

The Bank operates four office locations. Its main office located on Federal Street in Greenfield, and a branch office is also on located on Federal Street in Greenfield. In addition, the Bank has a branch office located on Main Street in Northfield, and an office located on Amherst Road in Sunderland. The Sunderland office located at 18 Amherst Road was opened in January 2003.

There appears to be no legal or regulatory impediments that would effect the Bank in meeting the needs of its community. The FDIC conducted the previous CRA evaluation as of December 27, 2000. That examination resulted in a "Satisfactory" rating. The Division conducted the previous CRA evaluation as of November 30, 1998. That examination resulted in a "High Satisfactory" rating.

Description of Assessment Area

The following table reflects the Bank's assessment area by Metropolitan Statistical Area (MSA) and by county. Also included in the table are the HUD estimated Median Family Incomes (2002 and 2003) for the respective MSA.

Assessment Area by Metropolitan Statistical Area (MSA)							
Springfield		Massachusetts Non		New Hampshire Non		Vermont Non	
Counties							
Franklin, Hampshire,		Franklin		Cheshire		Windham	
Communities							
Sunderland, Whately, Amherst, Hadley, Hatfield, Northampton		Charlemont, Colrain, Hawley, Heath, Rowe, Monroe, Bernardston, Gill, Leyden, Northfield, Erving, Warwick, Wendell, Orange, Leverett, New Salem, Shutesbury, Montague Deerfield, Greenfield, Ashfield, Buckland, Conway, Shelburne		Hinsdale, Winchester		Guilford, Vernon	
Median Family Incomes (\$)							
2002	2003	2002	2003	2002	2003	2002	2003
50,700	56,800	52,100	60,300	51,000	58,400	43,400	52,800

Source: PCI Services, Inc., CRA Wiz Software.

Demographic and Economic Data

Change in Demographics

In 2003, the US Census Bureau released its revised demographics based upon 2000 census data. The following table reflects both the 1990 and 2000 census data of the Bank's assessment area by census tract income groupings. In addition, the percentage change in the number of census tracts by income grouping is also reflected.

Change in Assessment Area Demographics					
Census Tracts	1990 Census Data		2000 Census Data		% Change in Number of Census Tracts
	#	%	#	%	
Low	1	2.7	0	0.0	-100.0
Moderate	3	8.1	4	11.4	33.3
Middle	23	62.3	18	51.4	-21.7
Upper	6	16.1	12	34.3	100.0
NA	4	10.8	1	2.9	-75.0
Total	37	100.0	35	100.0	-5.4

Source: PCI Services, Inc., CRA Wiz Software.

The following two tables reflect the changes in the Bank's census tracts from the 1990 census data to the 2000 census data by community. Note: The **bolded** items reflect a change.

Greenfield Co-operative Bank's Census Tracts Per 1990 Census Data					
Communities	Low	Moderate	Middle	Upper	NA
Charlemont, Colrain, Hawley, Heath, Rowe, Monroe			401.00		
Bernardston, Gill, Leyden			402.00		
Northfield			403.00		
Erving, Warwick, Wendell			404.00		
Orange			405.00		
Leverett, New Salem, Shutesbury				406.00	
Montague			407.00		
Sunderland, Whately			408.00		
Deerfield			409.00		
Greenfield		413.00, 414.00	410.00, 412.00	411.00	
Ashfield, Buckland, Conway, Shelburne			415.00		
Amherst	8204.00	8203.00	8205.00, 8206.00, 8208.01, 8214.00,	8207.00,	8208.02
Hadley					
Hatfield				8215.00,	
Northampton			8216.01, 8216.02, 8217.00, 8219.02, 8222.00	8219.01, 8220.00	8218.00, 8219.00, 8221.00
Hinsdale, Winchester			9716.00, 9717.00		
Guilford, Vernon			9687.00		

Source: PCI Services, Inc., CRA Wiz Software.

Demographic and Economic Data (continued)

Greenfield Co-operative Bank's Census Tracts Per 2000 Census Data					
Communities	Low	Moderate	Middle	Upper	NA
Charlemont, Colrain, Hawley, Heath, Rowe, Monroe			401.00		
Bernardston, Gill, Leyden			402.00		
Northfield			403.00		
Erving, Warwick, Wendell			404.00		
Orange			405.00		
Leverett, New Salem, Shutesbury				406.00	
Montague		407.01	407.02		
Sunderland, Whately				408.00	
Deerfield				409.00	
Greenfield		413.00, 414.00	410.00, 411.00 , 412.00		
Ashfield, Buckland, Conway, Shelburne			415.00		
Amherst		8204.00	8203.00 ,	8205.00 , 8206.00 , 8207.00, 8208.01 ,	8208.02
Hadley				8214.00	
Hatfield				8215.00,	
Northampton*			8216.01, 8216.02, 8217.00, 8219.02	8219.01, 8220.00, 8222.00	
Hinsdale, Winchester			9716.00, 9717.00		
Guilford, Vernon			9687.00		

Source: PCI Services, Inc., CRA Wiz Software.

*Note: In the City of Northampton, the NA census tracts (8218.00, 8219.00, and 8221.00) were eliminated in 2000. In addition, census tract located in the Town of Montague 407.00 (middle-income) was split into two tracts, 407.01 moderate and 407.02 middle-income.

Demographic and Economic Data (continued)

The following table reflects selected housing characteristics, based upon **1990** census data, for each of the census tract income groupings in the Bank's assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on 1990 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Households	Housing Units	Owner-Occupied	Rental Units	Vacant Units	
Low	2.7	0.2	0.2	0.0	80.5	19.5	0
Moderate	8.1	11.1	10.6	29.9	66.3	3.8	129,604
Middle	62.2	75.1	75.8	57.9	34.1	8.0	121,500
Upper	16.2	13.6	13.4	63.3	30.8	5.9	150,203
NA	10.8	0.0	0.0	0.0	66.7	33.3	0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	125,921

Source: U.S. Census

In addition, the following table reflects selected housing characteristics, based upon **2000** census data, for each of the census tract income groupings in the Bank's assessment area.

Selected Housing Characteristics by Income Category of the Geography Based on 2000 Census Data							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Households	Housing Units	Owner-Occupied	Rental Units	Vacant Units	
Low	0.0	0.0	0.0	0.0	0.0	0.0	0
Moderate	11.4	9.7	9.7	32.3	61.1	6.6	96,679
Middle	51.4	57.2	57.9	60.5	32.2	7.3	125,824
Upper	34.3	33.1	32.4	61.6	34.7	3.7	168,538
NA	2.9	0.0	0.0	0.0	0.0	0.0	0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	136,804

Source: U.S. Census

Description of Aggregate Data Utilized/Lending Activity

Aggregate data, for residential mortgage lending performance purposes only, constitutes 264 mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions, that have originated and/or purchased at least one residential mortgage and/or home improvement loan within the Bank's assessment area (source: PCI Services, Inc., CRA Wiz). Total number of originations/purchases received by these lenders in calendar year 2002 was 6,277. The following table reflects the top five lenders (in descending order) within the Bank's assessment area in 2002.

Lending Activity in Greenfield Co-operative Bank's Assessment Area			
Rank	Lenders	Number of Loans	Market Share Percentage
1	Florence Savings Bank	778	12.4
2	Fleet National Bank	500	8.0
3	Easthampton Savings Bank	463	7.4
4	Greenfield Co-operative Bank	317	5.1
5	BankNorth NA	309	4.9

Source: PCI Services, Inc., CRA Wiz Software.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

Based upon the following, the Bank's net loan to deposit ratio appears to be reasonable and, as such, is determined to "Meet Standards for Satisfactory Performance."

An analysis of the Bank's net loan to deposit ratios was performed. The calculation incorporated eight quarters of the Bank's net loan to deposit figures as reflected in its quarterly FDIC Call Reports. The quarters reviewed included the periods from June 2002 through March 2004. The Bank's net loan to deposit ratio, on average, was 71.3 percent. This ratio has fluctuated from a low of 65.1 percent in June 2003, to a high of 77.0 percent in September 2002.

The following illustrates the Bank's net loan to deposit trends.

Greenfield Co-operative Bank's Loan to Deposit Ratios*	
Dates	Ratio (%)
June 30, 2002	75.2
September 30, 2002	77.0
December 31, 2002	75.7
March 31, 2003	69.5
June 30, 2003	65.1
September 30, 2003	65.4
December 31, 2003	70.9
March 31, 2004	71.8

* Source: FDIC Call Reports.

Over the period reflected in the table, the Bank's net loan portfolio increased by 11.7 percent, while deposits grew by 16.9 percent. From March 31, 2003 to March 31, 2004, the Bank's loan portfolio increased by 10.0 percent, while deposits grew by 6.4 percent.

LOAN TO DEPOSIT ANALYSIS (continued)

A comparison of the Bank's loan to deposit ratio to that of a representative selection of area financial institutions was also performed. As of March 31, 2004, the Bank had total assets of \$197,919,000, and a net loan to deposit ratio of 71.8 percent. The Bank's closest competitors are Greenfield Savings Bank and The Bank of Western Massachusetts. Refer to the following.

COMPARATIVE NET LOAN TO TOTAL DEPOSIT RATIOS*		
Institution	Total Assets \$(000)	Net Loan to Total Deposit Ratios (%)
Greenfield Co-operative Bank	197,919	71.8
Greenfield Savings Bank	466,397	67.4
The Bank of Western Massachusetts	545,692	100.2

*As of March 31, 2004.

Based on the aforementioned analysis, the Bank has achieved a reasonable loan to deposit level given its capacity to lend and the credit needs of its assessment area.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Based upon the following data, the Bank's penetration of its residential mortgage and small business lending within its assessment area is considered exceptional. Consequently, this pattern of lending is determined to "Exceed Standards for Satisfactory Performance."

Residential Mortgage Lending

The Bank is not a Home Mortgage Disclosure Act (HMDA) reporter nor a CRA (small business) loan reporter, however, the Bank maintains computerized software that produces machine readable data that were utilized for this Public Evaluation. For the purposes herein, the period under review for both residential mortgage and small business lending constitutes calendar years 2002 and 2003.

The following table illustrates the Bank's level of residential mortgage both inside and outside its assessment area.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2002	317	95.8	33,327	93.8	14	4.2	2,223	6.2	331	100.0	35,550	100.0
2003	296	94.9	35,970	94.5	16	5.1	2,102	5.5	312	100.0	38,072	100.0
Total	613	95.3	69,297	94.1	30	4.7	4,325	5.9	643	100.0	73,622	100.0

Source: Internally Generated Report and Excel Spreadsheet.

COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S) (continued)

It should be noted that in 2002 and 2003, the Bank sold a majority of its fixed rate mortgages to an outside entity. In 2002, the Bank sold 222 residential mortgage loans, totaling \$25,627,000, to this entity. In 2003, the bank sold 386 residential mortgage loans, totaling \$46,062,000. These loan sales are not reflected in this, or the subsequent analyses of the Bank's residential mortgage lending, within this Public Evaluation.

As indicated, the Bank granted a strong majority of the number and dollar volume of its residential mortgage lending to those communities within its assessment area.

The Town of Greenfield accounted for the most residential mortgage lending in both years reviewed. For calendar year 2002, the Bank granted 97 loans (29.3 percent) for \$8,490,000 (23.9 percent) in Greenfield. For calendar year 2003, the Bank granted 79 loans (25.3 percent) for \$7,843,000 (23.9 percent) in Greenfield.

Small Business Lending

The Bank's small business lending was also reviewed to determine the amount of credit extended within its assessment area.

The Bank originated 211 small business loans, totaling \$25.6 million, during the period reviewed. A total of 204 loans, totaling \$24.9 million, were originated to businesses within the Bank's assessment area, representing 96.7 percent by number and 97.5 percent by dollar volume.

Again, as with the Bank's residential mortgage lending, the Town of Greenfield accounted for the most small business lending in both of the years reviewed. For calendar year 2002, the Bank granted 11 loans (12.6 percent) for \$9,166,000 (7.9 percent) in Greenfield. For calendar year 2003, the Bank granted 37 loans (29.8 percent) for \$16,476,000 (38.5 percent) in Greenfield.

Refer to the following table for additional information regarding the Bank's small business lending, by both number and dollar volume.

Distribution of Small Business Lending Inside and Outside of the Assessment Area												
Year	Inside				Outside				Total			
	Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)		Number of Loans		Dollar Volume (000)	
	#	%	\$	%	#	%	\$	%	#	%	\$	%
2002	82	94.3	8,757	95.5	5	5.7	409	4.5	87	100.0	9,166	100.0
2003	122	98.4	16,233	98.5	2	1.6	243	1.5	124	100.0	16,476	100.0
Total	204	96.7	24,990	97.5	7	3.3	652	2.5	211	100.0	25,642	100.0

Source: Internally Generated Report and Excel Spreadsheet.

In conclusion, the Bank's penetration of its residential mortgage and small business lending to those communities within its assessment area is considered significant.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

Based upon the subsequent analysis, the Bank's distribution of its residential mortgage lending within its assessment area to borrowers of different incomes is considered substantial. In addition, the Bank's small business lending in smaller dollar amounts and its level of lending to small businesses with revenues less than \$1 million is considered very strong. Therefore, the Bank was determined to "Exceed Standards for Satisfactory Performance."

Residential Mortgage Lending

An analysis of residential mortgage lending extended within the Bank's assessment area, among various income levels for the period under review was performed. Originations were categorized by the ratio of the applicant's reported incomes to the 2002 and 2003 estimated median family incomes of the appropriate MSA (refer to the Performance Context Section).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

The following analysis also includes 2002 aggregate data (exclusive of the Bank) of residential mortgage lending by percentage as well as demographic data on the percentage of households (per **1990** and **2000** census data) in the assessment area in each respective income group by percentage.

Refer to the following.

Distribution of Home Mortgage Loans by Borrower Income									
Median Family Income Level	% Total Family Households Per 1990 Census Data	2002 Aggregate Lending Data (% of #)	2002 Bank Data		% Total Family Households Per 2000 Census Data	2003 Bank Data		Total	
			#	%		#	%	#	%
Low~	19.4	3.4	34	10.7	17.2	11	3.7	45	7.3
Moderate	17.5	13.7	86	27.1	18.2	43	14.5	129	21.0
Middle	25.3	23.9	97	30.6	23.7	103	34.8	200	32.6
Upper	37.8	49.5	97	30.6	40.9	135	45.6	232	37.9
NA	0.0	9.5	3	1.0	0.0	4	1.4	7	1.2
Total	100.0	100.0	317	100.0	100.0	296	100.0	613	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

Ø Included in the low-income category (per the **1990** census data) are 2,612 households within the assessment area whose income is considered to be below poverty level, and thus, unlikely to qualify for a residential mortgage loan. If that category were adjusted to reflect this fact, the percentage of low-income households (per **1990** census data) within the assessment area would be decreased to 12.8 percent.

Included in the low-income category (per the **2000** census data) are 2,125 households within the assessment area whose income is considered to be below poverty level, and thus, unlikely to qualify for a residential mortgage loan. If that category were adjusted to reflect this fact, the percentage of low-income households (per **2000** census data) within the assessment area would also be decreased to 11.7 percent.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS (continued)

As indicated in the table, the Bank's percentage of lending to low- and moderate-income borrowers far exceeds that of the aggregate in 2002. For calendar year 2003, however, the percentage of lending in both of these categories declined, but was consistent if not slightly above the 2002 aggregate.

By dollar volume in 2002, the Bank originated 5.9 percent of its residential mortgage lending to low-income borrowers well above the 2002 aggregate data by dollar volume of 1.8 percent to low-income borrowers. Lending by dollar volume to moderate-income borrowers was 21.5 percent, while aggregate lending was 9.5 percent to those borrowers in 2002.

For calendar year 2003, the Bank's residential mortgage lending by dollar volume was 1.8 percent to low-income borrowers and 9.1 percent to moderate-income borrowers. Again, as with the number of loans granted in both of these categories, the dollar volume has declined but was consistent with the 2002 aggregate volume.

Therefore, over the period reviewed the Bank's level of residential mortgage lending to borrowers of low- and moderate-income is considered to be significant.

Small Business Lending

An analysis of the Bank's small business lending extended within the Bank's assessment area by loan amount was performed. The following reflects the results of such analysis both by number and by dollar volume.

Distribution of Small Business Loans by Loan Size												
Loan Size (000s)	2002				2003				Total			
	#	%	\$	%	#	%	\$	%	#	%	\$	%
< \$100	46	56.1	1,608	18.4	74	60.7	2,547	15.7	120	58.8	4,155	16.6
\$100 - \$250	29	35.4	4,283	48.9	29	23.8	4,777	29.4	58	28.4	9,060	36.3
> \$250 - \$1,000	7	8.5	2,866	32.7	19	15.5	8,909	54.9	26	12.8	11,775	47.1
Total	82	100.0	8,757	100.0	122	100.0	16,233	100.0	204	100.0	24,990	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

As indicated, the majority (by number) of the Bank's small business lending was in the form of smaller loans. Analysis of small business lending by loan size can be used as a proxy for the size of the business. Clearly, the results presented reflect positive results in terms of smaller loans, where 87.2 percent of all loans (overall) were under \$250,000.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS (continued)

Further, the Bank's small business lending by revenue of the business within its assessment area was also analyzed. Refer to the following.

Distribution of Small Business Loans by Gross Annual Revenues of Business												
Gross Annual Revenues (000s)	2002				2003				Total			
	#	%	\$	%	#	%	\$	%	#	%	\$	%
<= \$1,000	61	74.4	4,270	48.8	99	81.2	10,434	64.3	160	78.4	14,704	58.8
> \$1,000	21	25.6	4,487	51.2	23	18.8	5,799	35.7	44	21.6	10,286	41.2
Total	82	100.0	8,757	100.0	122	100.0	16,233	100.0	204	100.0	24,990	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

As indicated, the majority of the Bank's small business lending (by number) went to businesses with revenues less than \$1million. By dollar volume, however, it is expected that the percentages would be closer, or below the majority to those businesses with revenues below \$1 million. This is because loans made to businesses with revenues greater than \$1 million (by dollar volume) tend to be larger dollar loans.

As a result of the previous analyses, the Bank's penetration of its residential mortgage lending to borrowers of low and moderate-income and its small business lending in smaller dollar amounts within its assessment area is considered significant. The Bank's level of lending to small businesses with revenues less than \$1 million is considered strong.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The following analysis indicates that the Bank appears to have achieved a reasonable penetration of its residential mortgage and small business lending to the moderate-income census tracts within its assessment area. Therefore, the Bank was determined to "Meet Standards for Satisfactory Performance."

Residential Mortgage Lending

Based upon 1990 census data, the Bank's assessment area contained thirty-seven census tracts. Of those tracts, one (2.7 percent) is low-income, three (8.1 percent) are moderate-income, twenty-three (62.2 percent) are middle-income, six (16.2 percent) are upper-income, and four (10.8 percent) have no income designation.

Further, an analysis of the Bank's residential mortgage lending extended within the various census tracts contained within its assessment area for calendar year 2003 was also conducted. It should be noted that, as of January 1, 2003, a revision to Regulation C (HMDA reporting) went into effect. This revision states in part, that "[f]or all applications and loans reported on lenders' 2003 HMDA/LARs, lenders must use the census tract numbers and corresponding geographic areas from the 2000 census..."

GEOGRAPHIC DISTRIBUTION OF LOANS (continued)

Based upon **2000** census data, the Bank's assessment area contained thirty-five census tracts. Of those tracts, four (11.4 percent) are moderate-income, eighteen (51.4 percent) are middle-income, twelve (34.3 percent) are upper-income and one (2.9 percent) has no income designation. There are no longer any low-income census tracts based upon the new **2000** census data.

An analysis of residential mortgage lending extended within the various census tracts contained within the Bank's assessment area was conducted. The following table presents the Bank's performance as well as the 2002 aggregate data (exclusive of the Bank) of residential mortgage lending by percentage. In addition, the table also reflects the percentage of owner-occupied housing units (per **1990** and **2000** census data) in each of the census tract income categories.

Distribution of Home Mortgage Loans by Income Category of the Census Tract									
Census Tracts	% Total Owner-Occupied Housing Units Per 1990 Census Data	2002 Aggregate Lending Data (% of #)	2002 Bank Data		% Total Owner-Occupied Housing Units Per 2000 Census Data	2003 Bank Data		Total	
			#	%		#	%	#	%
Low	0.0	0.1	0	0.0	0.0	0	0.0	0	0.0
Moderate	29.9	6.1	40	12.6	32.3	11	3.7	51	8.3
Middle	57.9	75.7	256	80.8	60.5	266	89.9	522	85.2
Upper	63.3	16.2	21	6.6	61.6	19	6.4	40	6.5
NA	0.0	1.9	0	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	317	100.0	100.0	296	100.0	613	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

Of particular note is the Bank's lending to the moderate-income census tracts within its assessment area in 2002. For that period, the percentage of the Bank's residential mortgage lending was significantly above the aggregate data. In 2003, however, the percentage of lending to the moderate-income census tracts decreased despite the adding of an additional census tract in that income grouping in 2000.

By dollar volume in 2002, the Bank originated 9.1 percent of its residential mortgage lending to the moderate-income tracts. This was consistent with the 2002 aggregate data by dollar volume of 9.5 percent to those tracts. In 2003, the Bank had only 2.2 percent of the dollar volume of its residential mortgage lending going to the moderate-income census tracts.

In conclusion, although reflecting a declining trend, given both the 1990 and 2000 census data demographics of the Bank's moderate-income census tracts within its assessment area, its geographic distribution of its residential mortgage lending to those tracts is considered to be reasonable.

GEOGRAPHIC DISTRIBUTION OF LOANS (continued)

Small Business Lending

The Bank's small business lending was also analyzed to determine the distribution by census tract income level within its assessment area. The following analysis reflects both the number and dollar volume of the Bank's small business lending.

Distribution of Small Business Lending by Income Category of the Census Tract												
Census Tract Income Level	2002				2003				Total			
	#	%	\$	%	#	%	\$	%	#	%	\$	%
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	23	28.1	3,192	36.5	14	11.5	3,778	23.3	37	18.1	6,970	27.9
Middle	53	64.6	5,042	57.6	83	68.0	9,275	57.1	136	66.7	14,317	57.3
Upper	6	7.3	524	5.9	25	20.5	3,180	19.6	31	15.2	3,703	14.8
Total	82	100.0	8,758	100.0	122	100.0	16,233	100.0	204	100.0	24,990	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

As indicated, the Bank has achieved a much more significant penetration of its small business lending to the moderate-income census tracts. In 2002, the percentage of small business lending reflects a strong penetration within the moderate-income census tracts. Although the percentages declined somewhat in 2003, the Bank's level of small business lending is still considered strong with a 48.8 percent increase in the Bank's small business lending overall.

Therefore, as a result of the previous analyses, the Bank's residential mortgage and small business lending distribution within its assessment area, when taken as a whole, is considered reasonable.

5. REVIEW OF COMPLAINTS/FAIR LENDING POLICIES AND PRACTICES

The Bank received no CRA related complaints in the period under review. The Bank has a satisfactory record of implementing fair lending policies and practices. The following discussion is based on the guidelines of the Division of Banks' Regulatory Bulletin 2-3-101.

As a portfolio mortgage lender, the Bank offers a variety of fixed/adjustable rate mortgage products. These include; 5/1, 7/1, 10/1 and 15 year fixed/1 year adjustable rate mortgages (ARMs). Maximum term is 30 years and the maximum loan to value (LTV) is 95 percent (with private mortgage insurance required for LTV over 80 percent). In addition, the Bank offers 30 year and 15 year, fixed rate secondary market products, including a no mortgage insurance option with as little as a 5 percent down payment.

REVIEW OF COMPLAINTS/FAIR LENDING POLICIES AND PRACTICES (continued)

The Bank is an approved Massachusetts Housing Finance Agency/Masshousing (MHFA) lender. The Bank offers MHFA's Massadvantage 100 first time homebuyer program, MHFA's Home Improvement loan program, MHFA's septic repair program, and MHFA's "Get the Lead Out" program. The MHFA first time homebuyer mortgage loan offers a 30-year term, below market fixed rate, 3% or 5% (half gift/grant) down payment with expanded qualifying ratios of 33%/38%. The home improvement loan program also offers low fixed rates, repayment terms from 5 to 20 years, flexible underwriting guidelines and loan amounts from \$10,000 to \$50,000. The septic repair program amortize from 3 to 20 years, depending on the amount borrowed with loan amounts ranging from \$1,000 to \$25,000. The "Get the Lead Out" program provides a 0% deferred payment loan that is not due until the sale or refinancing of the property. All of these loan programs are offered for 1-4 family dwellings and condominiums, and are subject to borrower income and property purchase guidelines.

In 2002, the Bank granted 25 loans, totaling \$1,897,270, in MHFA first time homebuyer loans; 7 loans, totaling \$117,175, in MHFA home improvement loans; 4 loans, totaling \$47,864, in MHFA septic loans; and 5 loans, totaling \$79,222, in MHFA's "Get the Lead Out" program.

In 2003, the Bank granted 16 loans, totaling \$1,576,127, in MHFA first time homebuyer loans; 5 loans, totaling \$72,190, in MHFA home improvement loans; 1 loan, totaling \$17,950, in MHFA septic loans, and 1 loan, totaling \$25,000, in MHFA's "Get the Lead Out" program.

In 2003, the Bank was the number one lender in MHFA's home improvement loan program. Through May 2004, the Bank continues to have this distinction for this program. Also in 2004, the Bank became the number one lender in MHFA's septic loan program.

The Bank offers Small Business Administration (SBA) guaranteed loans under the 7(a), the "Low Doc", and the 504 Certified Development Company programs. The 7(a) program (SBA's primary loan program) offers working capital/revolving lines of credit and short term loans to small businesses meeting the SBA's size and credit requirements. In 2003, the Bank granted 2 SBA Low Doc loans totaling \$145,000 and 3 loans totaling \$71,000 in SBA Express loans.

The Bank has a "Second Review Committee." The committee consists of three lending officers, the originating/underwriting officer and two other officers, who review and signed off on all denied loan applications, including consumer, residential and commercial loans.

The Bank is a member of the Massachusetts Bankers' and American Community Bankers Associations, which offer a variety of professional training seminars. In the last year, the institution's lending staff participated in various lending related training seminars, which covered HMDA's new regulations, Real Estate Settlement Procedures Act (RESPA), and real estate appraisals.

A Fair Lending review was conducted at this examination. This review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on the sample reviewed, no evidence of disparate treatment of applicants was noted.

MINORITY APPLICATION FLOW

For the period reviewed, the Bank received a total of 7 residential mortgage applications from various minority groups, representing 1.0 percent of all applications received from within its assessment area. The 2002 aggregate data indicated 4.5 percent of all the residential applications from within the assessment area were to minority applicants.

In addition, the following table reflects the minority demographics of the Bank's assessment area based upon both the **1990** and the **2000** census data.

Refer to the following.

Distribution of Home Mortgage Loan Applications by Race									
Race	Racial Demographics Per 1990 Census Data	2002 Aggregate Lending Data (% of #)	2002 Bank Data		Racial Demographics Per 2000 Census Data	2003 Bank Data		Total	
			#	%		#	%	#	%
Native American	0.2	0.2	0	0.0	0.2	0	0.0	0	0.0
Asian	2.8	0.9	5	1.4	3.2	1	0.3	6	0.9
Black	1.5	0.7	0	0.0	1.8	0	0.0	0	0.0
Hispanic	2.4	0.7	1	0.3	3.4	0	0.0	1	0.1
Joint Race	0.0	1.3	0	0.0	0.0	0	0.0	0	0.0
Other	0.0	0.7	0	0.0	1.9	0	0.0	0	0.0
Total Minority	6.9	4.5	6	1.7	10.5	1	0.3	7	1.0
White	93.1	64.6	351	97.5	89.5	343	99.4	694	98.4
NA	0.0	30.9	3	0.8	0.0	1	0.3	4	0.6
Total	100.0	100.0	360	100.0	100.0	345	100.0	705	100.0

Source: CRA Wiz, Internally Generated Report, and Excel Spreadsheet.

Given the demographics of its assessment area, the Bank's level of minority applications is considered reasonable.

Community Development Lending

As defined in the CRA regulation, a community development purpose is: affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, or activities that revitalize or stabilize low and moderate-income geographies. However, in order to qualify as a community development loan, the loan must not be a HMDA reportable or small business loan, unless it is for a multi-family dwelling (five or more units).

MINORITY APPLICATION FLOW (continued)

At management's request, the Bank's community development lending was reviewed.

- In 2002, the Bank funded a \$120,000 construction loan to rehabilitate a single family home to be resold through a private non-profit organization. Said organization's purpose is to finance, develop, package, insure, manage, regulate, control, acquire, and own diverse types of housing. Upon completion of the construction phase, this house will be sold to a low- and/or moderate-income family.

QUALIFIED INVESTMENTS AND SERVICES

At management's request, the Bank's investments and services were reviewed.

Investments

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments; not just those made since the previous CRA examination. The following describes the institution's qualified investments.

Charitable Contributions

There appears to be limited opportunities for qualified investments within the Bank's assessment area. However, the Bank has provided contributions to organizations that provide education and training, neighborhood revitalization, youth programs, and health and human services for individuals in need, and support business growth and development.

For calendar year 2002, the Bank provided \$22,558 in corporate contributions, \$14,591 (64.7 percent) of which was in support of programs that promote community development, as defined under the CRA regulation. For calendar year 2003, the Bank provided \$28,507 in corporate contributions, \$17,788 (62.4 percent) of which was in support of such programs.

The following includes (but is not limited to) some of the organizations that the Bank contributed to that were considered to be qualified donations: United Way of Franklin County; Young Enterprise Society; Franklin County CDC; Western Mass Enterprise Fund; Small Business Development Center at UMass; Franklin County Shelter; Greenfield Senior Center; FDIC Smart Money Program; and Franklin County Community Meals Program.

RETAIL BANKING SERVICES

Distribution of Branches

As previously indicated in the Performance Context portion of this Public Evaluation, the Bank has four branch office locations. Its main office located on Federal Street in Greenfield, and a branch office also on Federal Street in Greenfield, a branch office located on Main Street in Northfield and an office located on Amherst Road in Sunderland. The 63 Federal Street in Greenfield continues to be located in a moderate-income census tract, and the 277 Federal Street in Greenfield location continues to be located in a middle-income tract. The Northfield Office is located in a middle-income tract. However, as of the **2000** census, the Bank's final branch office, located in Sunderland, now lies in an upper-income census tract (formerly a middle-income tract per **1990** data).

Office hours are convenient to all segments of the Bank's assessment area. In addition, the Bank has drive-up facilities at all locations. All offices have Automatic Teller Machines (ATM). The Bank continues to be a member of the SUM network of financial institutions, which do not levy surcharges to foreign ATM customers. In December 2003, the Bank opened a freestanding ATM machine at 1229 Mohawk Trail, Route 2 in Shelburne Falls.

The Bank offers a NOW checking account and a passbook/statement savings account. The NOW checking account offers a minimum of \$10 to open and receive interest with no monthly fee if the minimum balance is maintained. However, if the balance drops below \$500 during the statement cycle a \$0.40 per check fee is charged. The Bank's passbook/statement savings account offers a minimum balance to open and earn interest of \$10 with no monthly fees.

The Bank participates in the Commonwealth's Interest on Lawyers Trust Account (IOLTA) program. In 2002, the Bank sent \$10,368 in interest from IOLTA accounts to the Commonwealth. In 2003, the Bank sent \$16,997 in interest from IOLTA accounts to the Commonwealth. In turn, the Commonwealth distributes these monies to various agencies that provide legal services to lower-income individuals.

Alternative Retail Banking Services

The Bank offers a 24 hour, 7-day a week Toll-Free Account Access Phone System accessible from a touch-tone telephone. This system provides rate information on deposit accounts and loan products, allows the transfer of monies between accounts, and gives access to account balances and transactions made on deposit accounts.

The Bank also offers Internet banking through its own online service at www.greenfieldcoopbank.com. Some of the services include: allowing customers to check account balances, transfer funds, complete a mortgage or consumer loan application, review loan and deposit rates, and pay monthly bills **free** of charge.

The Bank continues to participate in the Massachusetts "Savings Makes Sense" program. The goal of this program is to teach children the basics of how to manage their money. Currently the bank has participated with elementary schools in the towns of Greenfield, Bernardston, Northfield, and Warwick.

Alternative Retail Banking Services (continued)

In addition to the "Savings Makes Sense" program, the Bank offers another program called "Kids Club." This program was designed to reach out to children that do not participate in the "Savings" program. The program is open to all children under the age of 18. As of January 2004, 497 children participated in the program with a combined total of \$155,204 in deposit monies.

The Bank offers, at no charge, check cashing services for persons receiving federal or Massachusetts' government (city, state, town, or county) pension or retirement checks for non-depositors upon presentation of proper identification. This complies with both Massachusetts General Laws, chapter 167, section 46 and 209 CMR 35.00.

COMMUNITY DEVELOPMENT SERVICES

The CRA regulation defines a community development service as a service that has as its primary purpose in community development and the provision of financial services. The Bank's directors, officers, and employees are involved with community organizations that address economic and affordable housing development. Through these involvement's, the Bank affiliates lend their technical expertise, experience, and judgment to these organizations.

The following are some examples of the Bank's community development services.

United Way of Franklin County, Inc.

The Bank's President and Chief Executive Officer serves as a committee member that reviews the endowments of this organization. In addition, this individual served as a Community Investment volunteer on this chapters' Compliance Panel.

Franklin County Community Development Corporation (CDC)

The CDC's mission is to enhance the quality of life for low and moderate-income individuals through efforts at job creation and retention. The CDC provides education and training for self-employment as well as technical assistance to new and existing small businesses. The organization provides secondary or "gap" financing to small businesses. A Bank Vice President serves on the Loan Committee of this non-profit organization.

Franklin Regional Council of Governors

This individual also serves as a member of this organization that oversees the Brownfield Site Assessment Program.

Greenfield Housing Partnership Committee

Greenfield Co-operative Bank's CRA Officer is a member of this committee.

COMMUNITY DEVELOPMENT SERVICES (continued)

Franklin County Community Meals

The Bank's Compliance Coordinator is Treasurer and Board member of this social services organization. In addition, this individual serves as a volunteer for Loaves and Fishes, a soup kitchen that is a subsidiary of Community Meals.

Young Entrepreneurs Society, Inc (YES)

YES is a non-profit organization that teaches students about planning and creating a business. Various business professionals are invited to speak on topics such as marketing, creating a business plan, finding an attorney, and raising capital. A Bank Assistant Vice President is an advisor to the Board of Directors of YES.

Franklin County Chamber of Commerce

The Bank's President serves on the Board of Directors of this business group.

Educational Seminars

In June 2002, the FDIC and Housing and Urban Development established a national partnership to promote financial education using "Money Smart", FDIC's financial education curriculum. "Money Smart" was created to help adults outside of the financial mainstream enhance their money management skills and to develop positive relationships with financial institutions. "Money Smart" features a comprehensive guide for instructors and resource materials for students. It includes ten instructor-led training modules covering basic financial topics.

In September 2003, the Bank was designated as a Member of the FDIC's "Money Smart Alliance." Throughout the third quarter of 2003, Bank management and employees were instructors for this program. Topics included (but were not limited to), "To Your Credit", "Borrowing Basics", "Check it Out", and "Keep it Safe". Instructors representing the Bank included its President and Chief Executive Officer, CRA Officer, Compliance Coordinator, and branch managers. The sessions were held at the Greenfield Housing Authority.

Other Services

In May 2003, the Bank's President and Chief Executive Officer announced that the Bank had developed the Downtown Greenfield Revitalization Loan Program. The Bank made a commitment to fund up to a total of \$500,000 toward revitalization projects. These projects must be located in the Designated Target Area as outlined in the Greenfield Downtown Master Plan. Projects that qualify include: Façade and Signage Improvements; Commercial Improvements; Lead Paint and Asbestos Abatement; and Access Improvements. The maximum loan for any one project (secured) is \$75,000 for a maximum term of 15 years. The maximum loan for any one project (unsecured) is \$10,000 for a maximum term of 10 years. As yet, no loans have been granted under this program.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

GREENFIELD CO-OPERATIVE BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **MAY 14, 2004**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
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A majority of the Board of Directors

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.